GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1169
ANSWERED ON:24.10.2008
INVESTMENT OF PENSION FUND IN STOCK MARKET
Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Verma Shri Ravi Prakash

Will the Minister of FINANCE be pleased to state:

(a) whether the various trade unions are opposing moves to put the pension funds in the stock market;

(b) if so,the facts in the matter;

(c) the response or the Government thereto;and

(d) the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a): Yes,Sir.

(b) to (d): The Investment Pattern for Non-Government Provident Funds.Superannuation Funds and Gratuity Funds was revised in January,2005 with a view to providing wider avenues for investment by such Funds.The Investment Pattern provides for an option to invest in the shares or companies that have an investment grade debt rating from at least two credit rating agencies.Investmcnt decisions are taken by trustees or the Funds hased on their assessment or risk-return trade-off.The matter was discussed by the Central Board or Trustees,Employees` Provident Fund and it was decided that no investment would be made in the stock market.